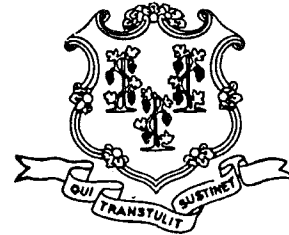


Department of Consumer Protection



**Report to the General Assembly's General Law Committee
pursuant to Special Act 13-18,
"AN ACT REQUIRING THE COMMISSIONER OF CONSUMER
PROTECTION TO UNDERTAKE A STUDY REGARDING HOME
IMPROVEMENT CONTRACTORS"**

July 1, 2014

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DEPARTMENT OF CONSUMER PROTECTION

REPORT TO THE GENERAL LAW COMMITTEE PURSUANT TO SPECIAL ACT 13-18

I. Legislative Mandate

This report is prepared and submitted pursuant to Special Act 13-18, "AN ACT REQUIRING THE COMMISSIONER OF CONSUMER PROTECTION TO UNDERTAKE A STUDY REGARDING HOME IMPROVEMENT CONTRACTORS."

Section 1. (a) The Commissioner of Consumer Protection shall conduct a study regarding home improvement contractors registered pursuant to chapter 400 of the general statutes.

(b) The study conducted pursuant to subsection (a) of this section shall include, but not be limited to: (1) Whether home improvement contractors should be tested and licensed, instead of registered, by the Department of Consumer Protection, (2) what problems, if any, exist with the current system of registration of home improvement contractors, (3) a survey of how other states permit or license home improvement contractors, and (4) recommendations, if any, for improvement of the current system of registration of home improvement contractors in this state.

(c) Not later than July 1, 2014, the Commissioner of Consumer Protection, in accordance with section 11-4a of the general statutes, shall report the results of the study conducted pursuant to subsection (a) of this section to the joint standing committee of the General Assembly having cognizance of matters relating to consumer protection and occupational licensing.

II. Current Registration Laws & Procedures

Connecticut's requirements for registration of Home Improvement Contractors are set forth in statute and regulation. Specifically, CGS Chapter 400, titled the "Home Improvement Act" provides key definitions and sets forth requirements for registration with the Department of Consumer Protection.

In the act, "home improvement" is defined in Sec. 20-419:

“Home improvement” includes, but is not limited to, the repair, replacement, remodeling, alteration, conversion, modernization, improvement, rehabilitation or sandblasting of, or addition to any land or building or that portion thereof which is used or designed to be used as a private residence, dwelling place or residential rental property, or the construction, replacement, installation or improvement of driveways, swimming pools, porches, garages, roofs, siding, insulation, sunrooms, flooring, patios, landscaping, fences, doors and windows and waterproofing in connection with such land or building or that portion thereof which is used or designed to be used as a private residence, dwelling place or residential rental property or the removal or replacement of a residential underground heating oil storage tank system, in which the total cash price for all work agreed upon between the contractor and owner exceeds two hundred dollars. “Home improvement” does not include: (A) The construction of a new home; (B) the sale of goods by a seller who neither arranges to perform nor performs, directly or indirectly, any work or labor in connection with the installation or application of the goods or materials; (C) the sale of goods or services furnished for commercial or business use or for resale, provided commercial or business use does not include use as residential rental property; (D) the sale of appliances, such as stoves, refrigerators, freezers, room air conditioners and others which are designed for and are easily removable from the premises without material alteration thereof; and (E) any work performed without compensation by the owner on his own private residence or residential rental property.

Also in that section, “Contractor” is defined:

“Contractor” means any person who owns and operates a home improvement business or who undertakes, offers to undertake or agrees to perform any home improvement.

“Contractor” does not include a person for whom the total cash price of all of his home improvement contracts with all of his customers does not exceed one thousand dollars during any period of twelve consecutive months.

The requirement that contractors must register with DCP before holding oneself out as a contractor, and the procedures for registration are contained in Sec. 20-420 and 20-420a, respectively.

Sec. 20-420. Registration of contractors and salesmen required. Contractors performing radon mitigation. Contractors performing removal or replacement of residential underground heating oil storage tank systems. (a) No person shall hold himself or herself out to be a contractor or salesperson without first obtaining a certificate of registration from the commissioner as provided in this chapter, except that an individual or partner, or officer or director of a corporation registered as a contractor shall not be required to obtain a salesperson’s certificate. No certificate shall be given to any person who holds himself or herself out to be a contractor that performs radon mitigation unless such contractor provides evidence, satisfactory to the commissioner, that the contractor is certified as a radon mitigator by the National Radon Safety Board or the

National Environmental Health Association. No certificate shall be given to any person who holds himself or herself out to be a contractor that performs removal or replacement of any residential underground heating oil storage tank system unless such contractor provides evidence, satisfactory to the commissioner, that the contractor (1) has completed a hazardous material training program approved by the Department of Energy and Environmental Protection, and (2) has presented evidence of liability insurance coverage of one million dollars.

Sec. 20-420a. Procedures for registration. (a) No corporation shall perform or offer to perform home improvements in this state unless such corporation has been issued a certificate of registration by the commissioner. No such corporation shall be relieved of responsibility for the conduct and acts of its agents, employees or officers by reason of its compliance with the provisions of this section, nor shall any individual contractor be relieved of responsibility for home improvements performed by reason of his employment or relationship with such corporation.

The Home Improvement Act in its entirety is attached as Appendix A.

The regulations promulgated pursuant to the Act are attached as Appendix B.

Pursuant to Sec. 20-421, the Department has posted on its website the application (and instructions) used to apply for a Home Improvement Contractor registration. Said application, instruction page, and "frequently asked questions" page is attached as Appendix C.

While the Home Improvement Act makes clear that Home Improvement Contractors need only a registration without regard to testing or proof of competency to lawfully engage in work, existing law specifies that many occupational trades are held to a higher standard. Specifically, the legislature has determined that in order to protect the public health, safety and welfare of Connecticut's citizens that only qualified, competent persons may hold licenses to do work in certain occupational trades. Those trades include, but are not limited to: electrical work, elevator work, heating, cooling and piping work, fire system layout work, plumbing and piping work, swimming pool installation and maintenance work, and welding work. Consequently, to the extent that a Home Improvement Contractor wishes to engage in work that would fall within the scope of those occupational trades, he or she would either need to hold an appropriate license or engage the services of a properly licensed individual.

III. Actions taken by the Department

As required by Special Act 13-18, DCP staff undertook a survey of how other states register and/or license Home Improvement Contractors. This survey was conducted via

both internet searches and phone calls to appropriate state agencies as necessary. Additionally, following passage of the act, the Department was asked by the House Chairman of the General Law committee to attempt to survey states for additional information; specifically, the question of whether states require Home Improvement Contractors to carry liability insurance and/or have bond requirements.

DCP staff tasked with this assignment acquired as much information as resources allowed and compiled the responses on a spreadsheet. The information obtained pertaining to each state and the District of Columbia is located on a spreadsheet to display answers to the following questions:

- 1) Does this state mandate Home Improvement Contractor licensing or registration?
- 2) What are the fees for a license or registration?
- 3) Is prior experience a prerequisite for licensing or registration?
- 4) Is there a question or requirement pertaining to education?
- 5) Is an exam required?
- 6) Is there a question or requirement pertaining to financial solvency?
- 7) Is there a question pertaining to past criminal convictions?
- 8) Are there insurance requirements?
- 9) Are there any bond requirements?
- 10) Additional notes

We note a wide-range of responses to the majority of the questions posed. Just under half of the states employ some variation of licensing requirements on Home Improvement Contractors, while the balance is split between states that employ registration and no statewide requirement at all.

The spreadsheet containing the information acquired through the survey of other states is attached as Appendix D.

The Department has compiled some data for inclusion in this report pertaining to complaints received and investigated related to Home Improvement Contractors. Currently, there are 25,630 Home Improvement Contractors registered with DCP. During the course of the last three years (July 1, 2011 through July 1, 2014) the Department has investigated 4,507 alleged issues of violations of the Home Improvement Act. (It should be noted that that number does not reflect the number of individual complaints as there are many instances where one consumer complaint against a contractor may have multiple issues alleged). Of these allegations, the greatest number falls into the category of 1) Workmanship, 2) Unregistered contractor and 3) Failure to complete work. The complete tally of the allegations is attached as Appendix E.

Additionally, the Department administers the Home Improvement Guaranty Fund pursuant to Sec. 20-432. This fund has been established by the legislature to assist

consumers in obtaining restitution in cases where a homeowner has suffered financial harm due to improper contract performance or poor workmanship on the part of a registered Home Improvement Contractor. In those cases where damages have been awarded to a consumer through a court judgment or DCP proceeding, and the contractor fails to satisfy the judgment, the homeowner may be eligible to receive up to \$15,000 from the Home Improvement Guaranty Fund. During the same three year period as above (July 1, 2011 through July 1, 2014), the Department has paid restitution to a total of 601 consumers for a total restitution amount of \$4,794,955.

Following passage of the Special Act, the Department received inquiries from a number of interested parties pertaining to the scope of the act. In response, those individuals were advised that they were free to submit written comments to the Commissioner if they so desired. Ultimately, the Department received two documents from interested parties expressing their views on this subject. While it is not the intent of the Department to endorse or reject any comments or recommendations received, they are included as part of this report for informational purposes.

The letter by Albert Barile dated September 15, 2013 is attached as Appendix F.

The letter by William H. Ethier, representing the Home Builders & Remodelers Association of Connecticut dated June 4, 2014 is attached as Appendix G.

IV. Conclusion

Passage of Special Act 13-18 required the Department to conduct a survey of other states to learn how each deals with the issue of licensure vs. registration for Home Improvement Contractors. Additionally, the Department acquired information from some states on the question of whether Home Improvement Contractors are required to carry types of insurance, such as liability or bonding. In so doing, Department staff has become more knowledgeable about the requirements in other states. It is hoped that this information will be helpful to legislators and other interested parties.

In closing, the Department is pleased to provide the information contained in this report. As always, we would welcome any comments or questions regarding our findings.

CHAPTER 400*

HOME IMPROVEMENT CONTRACTORS

Sec. 20-418. Short title: Home Improvement Act. This chapter shall be known and may be cited as the "Home Improvement Act".

Sec. 20-419. Definitions. As used in this chapter, unless the context otherwise requires:

- (1) "Certificate" means a certificate of registration issued under section 20-422.
- (2) "Commissioner" means the Commissioner of Consumer Protection or any person designated by the commissioner to administer and enforce this chapter.
- (3) "Contractor" means any person who owns and operates a home improvement business or who undertakes, offers to undertake or agrees to perform any home improvement. "Contractor" does not include a person for whom the total cash price of all of his home improvement contracts with all of his customers does not exceed one thousand dollars during any period of twelve consecutive months.
- (4) "Home improvement" includes, but is not limited to, the repair, replacement, remodeling, alteration, conversion, modernization, improvement, rehabilitation or sandblasting of, or addition to any land or building or that portion thereof which is used or designed to be used as a private residence, dwelling place or residential rental property, or the construction, replacement, installation or improvement of driveways, swimming pools, porches, garages, roofs, siding, insulation, sunrooms, flooring, patios, landscaping, fences, doors and windows and waterproofing in connection with such land or building or that portion thereof which is used or designed to be used as a private residence, dwelling place or residential rental property or the removal or replacement of a residential underground heating oil storage tank system, in which the total cash price for all work agreed upon between the contractor and owner exceeds two hundred dollars. "Home improvement" does not include: (A) The construction of a new home; (B) the sale of goods by a seller who neither arranges to perform nor performs, directly or indirectly, any work or labor in connection with the installation or application of the goods or materials; (C) the sale of goods or services furnished for commercial or business use or for resale, provided commercial or business use does not include use as residential rental property; (D) the sale of appliances, such as stoves, refrigerators, freezers, room air conditioners and others which are designed for and are easily removable from the premises without material alteration thereof; and (E) any work performed without compensation by the owner on his own private residence or residential rental property.
- (5) "Home improvement contract" means an agreement between a contractor and an owner for the performance of a home improvement.
- (6) "Owner" means a person who owns or resides in a private residence and includes any agent thereof. An owner of a private residence shall not be required to reside in such residence to be deemed an owner under this subdivision.
- (7) "Person" means an individual, partnership, limited liability company or corporation.
- (8) "Private residence" means a single family dwelling, a multifamily dwelling consisting of not more than six units, or a unit, common element or limited common element in a condominium, as defined in section 47-68a, or in a common interest community, as defined in section 47-202.

(9) "Salesman" means any individual who (A) negotiates or offers to negotiate a home improvement contract with an owner or (B) solicits or otherwise endeavors to procure by any means whatsoever, directly or indirectly, a home improvement contract from an owner on behalf of a contractor.

(10) "Residential rental property" means a single family dwelling, a multifamily dwelling consisting of not more than six units, or a unit, common element or limited common element in a condominium, as defined in section 47-68a, or in a common interest community, as defined in section 47-202, which is not owner-occupied.

(11) "Residential underground heating oil storage tank system" means an underground storage tank system used with or without ancillary components in connection with real property composed of four or less residential units.

(12) "Underground storage tank system" means an underground tank or combination of tanks, with any underground pipes or ancillary equipment or containment systems connected to such tank or tanks, used to contain an accumulation of petroleum, which volume is ten per cent or more beneath the surface of the ground.

Sec. 20-420. Registration of contractors and salesmen required. Contractors performing radon mitigation. Contractors performing removal or replacement of residential underground heating oil storage tank systems. (a) No person shall hold himself or herself out to be a contractor or salesperson without first obtaining a certificate of registration from the commissioner as provided in this chapter, except that an individual or partner, or officer or director of a corporation registered as a contractor shall not be required to obtain a salesperson's certificate. No certificate shall be given to any person who holds himself or herself out to be a contractor that performs radon mitigation unless such contractor provides evidence, satisfactory to the commissioner, that the contractor is certified as a radon mitigator by the National Radon Safety Board or the National Environmental Health Association. No certificate shall be given to any person who holds himself or herself out to be a contractor that performs removal or replacement of any residential underground heating oil storage tank system unless such contractor provides evidence, satisfactory to the commissioner, that the contractor (1) has completed a hazardous material training program approved by the Department of Energy and Environmental Protection, and (2) has presented evidence of liability insurance coverage of one million dollars.

(b) No contractor shall employ any salesman to procure business from an owner unless the salesman is registered under this chapter.

(c) No individual shall act as a home improvement salesman for an unregistered contractor.

(d) On and after July 1, 2008, a home improvement contractor shall not perform gas hearth product work, as defined in subdivision (22) of section 20-330, unless such home improvement contractor holds a limited contractor or journeyman gas hearth installer license pursuant to section 20-334f.

Sec. 20-420a. Procedures for registration. (a) No corporation shall perform or offer to perform home improvements in this state unless such corporation has been issued a certificate of registration by the commissioner. No such corporation shall be relieved of responsibility for the conduct and acts of its agents, employees or officers by reason of its compliance with the provisions of this section, nor shall any individual contractor be relieved of responsibility for home improvements performed by reason of his employment or relationship with such corporation.

(b) A qualifying corporation desiring a certificate of registration shall apply to the commissioner, in writing, on a form provided by the commissioner. The application shall state the name and address of such corporation, the city or town and the street and number where such corporation is to maintain its principal place of business in this state, the names and addresses of officers, a statement that one or more individuals who shall direct, supervise or perform home improvements for such corporation are registered home improvement contractors and such other information as the commissioner may require.

(c) Any certificate issued by the commissioner pursuant to this section may be revoked or suspended by the commissioner after notice and hearing in accordance with the provisions of chapter 54 concerning contested cases, if it is shown that the holder of such certificate has not conformed to the requirements of this chapter, that the certificate was obtained through fraud or misrepresentation or that the contractor of record employed by or acting on behalf of such corporation has had his certificate of registration suspended or revoked by the commissioner. The commissioner may refuse to issue or renew a certificate if any facts exist which would entitle the commissioner to suspend or revoke an existing certificate.

(d) Each such corporation shall file with the commissioner upon application or renewal thereof a designation of an individual or individuals registered to perform home improvements in this state who shall direct or supervise the performance of home improvements by such corporation in this state. Such corporation shall notify the commissioner of any change in such designation within thirty days after such change becomes effective.

(e) Each such corporation shall file with the commissioner upon application or renewal thereof a certificate of good standing issued by the office of the Secretary of the State. Such corporation shall notify the commissioner of any change in corporate good standing within thirty days after such change becomes effective.

Sec. 20-421. Application for registration. Fees. (a) Any person seeking a certificate of registration shall apply to the commissioner in writing, on a form provided by the commissioner. The application shall include the applicant's name, residence address, business address, business telephone number and such other information as the commissioner may require.

(b) Each application for a certificate of registration as a home improvement contractor shall be accompanied by a fee of one hundred twenty dollars, except that no such application fee shall be required in any year during which such person has paid the registration fee required under section 20-417b or in any year in which such person's registration as a new home construction contractor is valid.

(c) Each application for a certificate of registration as a salesman shall be accompanied by a fee of one hundred twenty dollars.

(d) The application fee for a certificate of registration as a home improvement contractor acting solely as the contractor of record for a corporation, shall be waived, provided the contractor of record shall use such registration for the sole purpose of directing, supervising or performing home improvements for such corporation.

Sec. 20-422. Certificate of registration; when issued; refused; revoked; suspended. Bond requirement. Upon receipt of a completed application and fee, the commissioner shall: (1) Issue and deliver to the applicant a certificate to engage in the business for which the application was made; or (2) refuse to issue the certificate. The commissioner may suspend, revoke or refuse to issue or renew any certificate issued under this chapter or may place a registrant on probation or issue a letter of reprimand or

may require the posting of a bond meeting the specifications of section 20-426a as a condition for the issuance, renewal or reinstatement of a certificate of registration for any of the reasons stated in section 20-426. No application for the reinstatement of a certificate which has been revoked shall be accepted by the commissioner within one year after the date of such revocation.

Sec. 20-423. Hearing on denial of certificate. Subsequent application. (a) Upon refusal to issue or renew a certificate, the commissioner shall notify the applicant of the denial and of the applicant's right to request a hearing within ten days from the date of receipt of the notice of denial.

(b) If the applicant requests a hearing within such ten days, the commissioner shall give notice of the grounds for the commissioner's refusal and shall conduct a hearing concerning such refusal in accordance with the provisions of chapter 54 concerning contested cases.

(c) If the commissioner's denial of a certificate is sustained after such hearing, an applicant may make new application not less than one year after the date on which such denial was sustained.

Sec. 20-424. Investigations. Powers of commissioner. Injunctions. (a) The commissioner may conduct investigations and hold hearings on any matter under the provisions of this chapter. The commissioner may issue subpoenas, administer oaths, compel testimony and order the production of books, records and documents. If any person refuses to appear, to testify or to produce any book, record, paper or document when so ordered, upon application of the commissioner, a judge of the Superior Court may make such order as may be appropriate to aid in the enforcement of this section.

(b) The Attorney General, at the request of the commissioner, is authorized to apply in the name of the state of Connecticut to the Superior Court for an order temporarily or permanently restraining and enjoining any person from violating any provision of this chapter.

Sec. 20-425. Transferred to Sec. 20-431.

Sec. 20-426. Revocation, suspension or refusal to issue or renew registration; grounds. (a) The commissioner may revoke, suspend or refuse to issue or renew any certificate of registration as a home improvement contractor or salesperson or place a registrant on probation or issue a letter of reprimand for: (1) Conduct of a character likely to mislead, deceive or defraud the public or the commissioner; (2) engaging in any untruthful or misleading advertising; (3) failing to reimburse the guaranty fund established pursuant to section 20-432 for any moneys paid to an owner pursuant to subsection (o) of section 20-432; (4) unfair or deceptive business practices; or (5) violation of any of the provisions of the general statutes relating to home improvements or any regulation adopted pursuant to any of such provisions. The commissioner may refuse to issue or renew any certificate of registration as a home improvement contractor or salesperson of any person subject to the registration requirements of chapter 969.

(b) The commissioner shall not revoke or suspend any certificate of registration or require the posting of a bond except upon notice and hearing in accordance with chapter 54.

Sec. 20-426a. Posting of bond by contractor. (a) A bond required under section 20-422 shall run to the state of Connecticut for the use of the state and of any persons who may have a cause of action

because of the failure of the contractor to comply with the provisions of this chapter and any regulation or order adopted or issued under this chapter and to account for all funds deposited with him. Such bond shall not be construed to require any surety to complete a home improvement contract entered into by the principal on the bond.

(b) Any person who may be damaged by the failure of a contractor to account for all funds deposited with the contractor may proceed on such bond against the obligor or surety thereon, or both, to recover damages.

(c) Such bond shall be in such form as the commissioner may require and shall be in the amount of fifteen thousand dollars. The commissioner may require the contractor to provide from time to time proof that the bond is in full force and effect.

(d) Any surety issuing a bond in compliance with this section, section 20-422, subsection (b) of section 20-426 and subsection (b) of section 20-427 shall notify the commissioner within thirty days after the expiration or termination of such bond that such bond has expired or terminated and has not been renewed or reissued.

(e) The bond required by this section may be released by the commissioner twelve months after the contractor ceases to be registered, if there are no claims pending against the bond.

Sec. 20-427. Holder to exhibit and advertise certificate, when. Prohibited acts. Penalties. Certificates not transferable. Expiration. Renewal. Building permits. (a) Each person engaged in making home improvements shall (1) exhibit his certificate of registration upon request by any interested party, (2) state in any advertisement the fact that he is registered, and (3) include his registration number in any advertisement.

(b) No person shall: (1) Present or attempt to present, as such person's own, the certificate of another, (2) knowingly give false evidence of a material nature to the commissioner for the purpose of procuring a certificate, (3) represent himself or herself falsely as, or impersonate, a registered home improvement contractor or salesman, (4) use or attempt to use a certificate which has expired or which has been suspended or revoked, (5) offer to make or make any home improvement without having a current certificate of registration under this chapter, (6) represent in any manner that such person's registration constitutes an endorsement of the quality of such person's workmanship or of such person's competency by the commissioner, (7) employ or allow any person to act as a salesman on such person's behalf unless such person is registered as a home improvement salesman, or (8) fail to refund the amount paid for a home improvement within ten days of a written request mailed or delivered to the contractor's last known address, if no substantial portion of the contracted work has been performed at the time of the request and more than thirty days has elapsed since the starting date specified in the written contract, or more than thirty days has elapsed since the date of the contract if such contract does not specify a starting date.

(c) In addition to any other remedy provided for in this chapter, (1) any person who violates any provision of subsection (b) of this section, except subdivision (8), shall be guilty of a class B misdemeanor and (2) any person who violates the provisions of subdivision (8) of subsection (b) of this section shall be guilty of a class B misdemeanor if the home improvement that is offered or made has a total cash price of ten thousand dollars or less and shall be guilty of a class A misdemeanor if the home improvement that is offered or made has a total cash price of more than ten thousand dollars. Notwithstanding subsection (d) or (e) of section 53a-29 or section 54-56e, if the court determines that a contractor cannot fully repay his victims within the period of probation established in subsection (d) or (e) of section 53a-29 or section 54-56e, the court may impose probation for a period of not more than five

years. A violation of any of the provisions of this chapter shall be deemed an unfair or deceptive trade practice under subsection (a) of section 42-110b.

(d) The commissioner may, after notice and hearing in accordance with the provisions of chapter 54, impose a civil penalty on any person who engages in or practices the work or occupation for which a certificate of registration is required by this chapter without having first obtained such a certificate of registration or who wilfully employs or supplies for employment a person who does not have such a certificate of registration or who wilfully and falsely pretends to qualify to engage in or practice such work or occupation, or who engages in or practices any of the work or occupations for which a certificate of registration is required by this chapter after the expiration of such person's certificate of registration or who violates any of the provisions of this chapter or the regulations adopted pursuant thereto. Such penalty shall be in an amount not more than five hundred dollars for a first violation of this subsection, not more than seven hundred fifty dollars for a second violation of this subsection occurring not more than three years after a prior violation, not more than one thousand five hundred dollars for a third or subsequent violation of this subsection occurring not more than three years after a prior violation and, in the case of radon mitigation work, such penalty shall be not less than two hundred fifty dollars. Any civil penalty collected pursuant to this subsection shall be deposited in the consumer protection enforcement account established in section 21a-8a.

(e) Certificates issued to home improvement contractors or salesmen shall not be transferable or assignable.

(f) All certificates issued under the provisions of this chapter shall expire annually. The fee for renewal of a certificate shall be the same as the fee charged for an original application.

(g) The renewal fee for a certificate of registration as a home improvement contractor acting solely as the contractor of record for a registration as a home improvement contractor acting solely as the contractor of record for a corporation, shall be waived, if such contractor uses such registration for the sole purpose of directing, supervising or performing home improvements for such corporation.

(h) Failure to receive a notice of expiration or a renewal application shall not exempt a contractor or salesman from the obligation to renew.

(i) No contractor shall commence work unless each applicable building or construction permit has been obtained as may be required under the general statutes or local ordinances.

Sec. 20-427a. Failure to register. Failure to pay Home Improvement Guaranty Fund fee. Commercial motor vehicle registration nonrenewal. Appeal. If any contractor, as defined in section 20-419, is determined by the Commissioner of Consumer Protection to be in violation of the provisions of section 20-420 or 20-432, the Commissioner of Consumer Protection shall notify the Commissioner of Motor Vehicles of such delinquency in accordance with listings and schedules of dates established by the Commissioner of Motor Vehicles and on forms prescribed and furnished by the Commissioner of Motor Vehicles, specifying the name and address of such contractor. The Commissioner of Motor Vehicles shall not issue registration for any commercial motor vehicle owned by such contractor for the next registration period and no such registration shall be issued until said commissioner receives notice from the Commissioner of Consumer Protection that such contractor is in compliance with sections 20-420 and 20-432. Any person aggrieved by any action of the Commissioner of Motor Vehicles under this section may appeal therefrom in the manner provided in section 14-134.

Sec. 20-428. Exemptions. This chapter shall not apply to any of the following persons or organizations: (1) The government of the state, municipalities of the state or any department or agency of the state or such municipalities; (2) the government of the United States or any of its departments or agencies; (3) any school, public or private, offering as part of a vocational education program courses and training in any aspect of home improvements; and (4) any person holding a current professional or occupational license issued pursuant to the general statutes, and any person registered pursuant to sections 25-126 to 25-137, inclusive, provided such person engages only in that work for which such person is licensed or registered.

Sec. 20-429. Required contract provisions. Negative option provisions prohibited. Contract considered home solicitation sale. Contractor-financed contract. Recovery of payment for work performed. (a) No home improvement contract shall be valid or enforceable against an owner unless it: (1) Is in writing, (2) is signed by the owner and the contractor, (3) contains the entire agreement between the owner and the contractor, (4) contains the date of the transaction, (5) contains the name and address of the contractor and the contractor's registration number, (6) contains a notice of the owner's cancellation rights in accordance with the provisions of chapter 740, (7) contains a starting date and completion date, (8) is entered into by a registered salesman or registered contractor, and (9) includes a provision disclosing each corporation, limited liability company, partnership, sole proprietorship or other legal entity, which is or has been a home improvement contractor pursuant to the provisions of this chapter or a new home construction contractor pursuant to the provisions of chapter 399a, in which the owner or owners of the home improvement contractor are or have been a shareholder, member, partner, or owner during the previous five years. Each change in the terms and conditions of a contract shall be in writing and shall be signed by the owner and contractor, except that the commissioner may, by regulation, dispense with the necessity for complying with the requirement that each change in a home improvement contract shall be in writing and signed by the owner and contractor.

(b) No home improvement contract shall be valid if it includes any provision obligating the owner to instruct the home improvement contractor, by a date determined by such contractor, that periodic home improvements are not to be performed unless it also includes a provision requiring the contractor to remind the owner of that obligation by means of a card or letter mailed to the owner and postmarked not earlier than twenty days, and not later than ten days, prior to such date.

(c) The contractor shall provide and deliver to the owner, without charge, a completed copy of the home improvement contract at the time such contract is executed.

(d) The commissioner may, by regulation, require the inclusion of additional contractual provisions.

(e) Each home improvement contract entered into shall be considered a home solicitation sale pursuant to chapter 740 and shall be subject to the requirements of said chapter regardless of the location of the transaction or of the signing of the contract. Each home improvement contract in which the owner agrees to repay the contractor an amount loaned or advanced to the owner by the contractor for the purposes of paying for the goods and services provided in such contract, or which contains a finance charge, (1) shall set forth the information required to be disclosed pursuant to the Truth-in-Lending Act, sections 36a-675 to 36a-685, inclusive, (2) shall allow the owner to pay off in advance the full amount due and obtain a partial refund of any unearned finance charge, and (3) may contain a finance charge set at a rate of not more than the rate allowed for loans pursuant to section 37-4. As used in this subsection, "finance charge" means the amount in excess of the cash price for goods and services under the home improvement contract to be paid by the owner for the privilege of paying the contract price in installments over a period of time.

(f) Nothing in this section shall preclude a contractor who has complied with subdivisions (1), (2), (6), (7) and (8) of subsection (a) of this section from the recovery of payment for work performed based on the reasonable value of services which were requested by the owner, provided the court determines that it would be inequitable to deny such recovery.

Sec. 20-429a. Certain solicitation practices prohibited. No contractor or salesman shall solicit or otherwise endeavor to procure home improvement work or a home improvement contract from an owner by notifying the owner that a contractor will commence home improvement work unless the owner instructs the contractor not to commence such work by a date determined by the contractor.

Sec. 20-430. Commissioner to adopt regulations. The commissioner shall adopt regulations in accordance with chapter 54 to carry out the provisions of this chapter.

Sec. 20-431. (Formerly Sec. 20-425). Appeals. Any person aggrieved by an order or decision of the commissioner under this chapter may appeal therefrom in accordance with the provisions of section 4-183.

Sec. 20-432. Home Improvement Guaranty Fund. (a) The commissioner shall establish and maintain the Home Improvement Guaranty Fund.

(b) Each salesman who receives a certificate pursuant to this chapter shall pay a fee of forty dollars annually. Each contractor who receives a certificate pursuant to this chapter shall pay a fee of one hundred dollars annually to the guaranty fund. Said fee shall be payable with the fee for an application for a certificate or renewal thereof. The annual fee for a contractor who receives a certificate of registration as a home improvement contractor acting solely as the contractor of record for a corporation, shall be waived, provided the contractor of record shall use such registration for the sole purpose of directing, supervising or performing home improvements for such corporation.

(c) Payments received under subsection (b) of this section shall be credited to the guaranty fund until the balance in such fund equals seven hundred fifty thousand dollars. Annually, if such fund has an excess, the first four hundred thousand dollars of the excess shall be deposited into the consumer protection enforcement account established in section 21a-8a. Any excess thereafter shall be deposited in the General Fund. Any money in the guaranty fund may be invested or reinvested in the same manner as funds of the state employees retirement system, and the interest arising from such investments shall be credited to the guaranty fund.

(d) Whenever an owner obtains a court judgment against any contractor holding a certificate or who has held a certificate under this chapter within the past two years of the effective date of entering into the contract with the owner, for loss or damages sustained by reason of performance of or offering to perform a home improvement within this state by a contractor holding a certificate under this chapter, such owner may, upon the final determination of, or expiration of time for, appeal in connection with any such judgment, apply to the commissioner for an order directing payment out of said guaranty fund of the amount unpaid upon the judgment for actual damages and costs taxed by the court against the contractor, exclusive of punitive damages. The application shall be made on forms provided by the commissioner and shall be accompanied by a copy of the court judgment obtained against the contractor together with a notarized affidavit, signed and sworn to by the owner, affirming that: (1) He has complied with all the

requirements of this subsection; (2) he has obtained a judgment stating the amount thereof and the amount owing thereon at the date of application; and (3) he has caused to be issued a writ of execution upon said judgment, and the officer executing the same has made a return showing that no bank accounts or real property of the contractor liable to be levied upon in satisfaction of the judgment could be found, or that the amount realized on the sale of them or of such of them as were found, under the execution, was insufficient to satisfy the actual damage portion of the judgment or stating the amount realized and the balance remaining due on the judgment after application thereon of the amount realized, except that the requirements of this subdivision shall not apply to a judgment obtained by the owner in small claims court. A true and attested copy of said executing officer's return, when required, shall be attached to such application and affidavit. No application for an order directing payment out of the guaranty fund shall be made later than two years from the final determination of, or expiration time for, appeal of said court judgment.

(e) Upon receipt of said application together with said copy of the court judgment, notarized affidavit and true and attested copy of the executing officer's return, the commissioner or his designee shall inspect such documents for their veracity and upon a determination that such documents are complete and authentic, and a determination that the owner has not been paid, the commissioner shall order payment out of the guaranty fund of the amount unpaid upon the judgment for actual damages and costs taxed by the court against the contractor, exclusive of punitive damages.

(f) Whenever an owner is awarded an order of restitution against any contractor for loss or damages sustained by reason of performance of or offering to perform a home improvement in this state by a contractor holding a certificate or who has held a certificate under this chapter within the past two years of the date of entering into the contract with the owner, in a proceeding brought by the commissioner pursuant to this section or subsection (d) of section 42-110d, or in a proceeding brought by the Attorney General pursuant to subsection (a) of section 42-110m or subsection (d) of section 42-110d, or a criminal proceeding pursuant to section 20-427, such owner may, upon the final determination of, or expiration of time for, appeal in connection with any such order of restitution, apply to the commissioner for an order directing payment out of said guaranty fund of the amount unpaid upon the order of restitution. The commissioner may issue said order upon a determination that the owner has not been paid.

(g) Before the commissioner shall issue any order directing payment out of the guaranty fund to an owner pursuant to subsections (e) or (f) of this section, the commissioner shall first notify the contractor of the owner's application for an order directing payment out of the guaranty fund and of the contractor's right to a hearing to contest the disbursement in the event that the contractor has already paid the owner. Such notice shall be given to the contractor within fifteen days of the receipt by the commissioner of the owner's application for an order directing payment out of the guaranty fund. If the contractor requests a hearing in writing by certified mail within fifteen days of receipt of the notice from the commissioner, the commissioner shall grant such request and shall conduct a hearing in accordance with the provisions of chapter 54. If the commissioner receives no written request by certified mail from the contractor for a hearing within fifteen days of the contractor's receipt of such notice, the commissioner shall determine that the owner has not been paid, and the commissioner shall issue an order directing payment out of the guaranty fund for the amount unpaid upon the judgment for actual damages and costs taxed by the court against the contractor, exclusive of punitive damages, or for the amount unpaid upon the order of restitution.

(h) The commissioner or his designee may proceed against any contractor holding a certificate or who has held a certificate under this chapter within the past two years of the effective date of entering into the contract with the owner, for an order of restitution arising from loss or damages sustained by any person by reason of such contractor's performance of or offering to perform a home improvement in this state. Any such proceeding shall be held in accordance with the provisions of chapter 54. In the course of such

proceeding, the commissioner or his designee shall decide whether to exercise his powers pursuant to section 20-426; whether to order restitution arising from loss or damages sustained by any person by reason of such contractor's performance or offering to perform a home improvement in this state; and whether to order payment out of the guaranty fund. Notwithstanding the provisions of chapter 54, the decision of the commissioner or his designee shall be final with respect to any proceeding to order payment out of the guaranty fund and the commissioner and his designee are exempted from the requirements of chapter 54 as they relate to appeal from any such decision. The commissioner or his designee may hear complaints of all owners submitting claims against a single contractor in one proceeding.

(i) No application for an order directing payment out of the guaranty fund shall be made later than two years from the final determination of, or expiration of time for, appeal in connection with any judgment or order of restitution.

(j) Whenever the owner satisfies the commissioner or his designee that it is not practicable to comply with the requirements of subdivision (3) of subsection (d) of this section and that the owner has taken all reasonable steps to collect the amount of the judgment or the unsatisfied part thereof and has been unable to collect the same, the commissioner or his designee may in his discretion dispense with the necessity for complying with such requirement.

(k) In order to preserve the integrity of the guaranty fund, the commissioner, in the commissioner's sole discretion, may order payment out of said fund of an amount less than the actual loss or damages incurred by the owner or less than the order of restitution awarded by the commissioner or the Superior Court. In no event shall any payment out of said guaranty fund be in excess of fifteen thousand dollars for any single claim by an owner.

(l) If the money deposited in the guaranty fund is insufficient to satisfy any duly authorized claim or portion thereof, the commissioner shall, when sufficient money has been deposited in the fund, satisfy such unpaid claims or portions thereof, in the order that such claims or portions thereof were originally determined.

(m) When the commissioner has caused any sum to be paid from the guaranty fund to an owner, the commissioner shall be subrogated to all of the rights of the owner up to the amount paid plus reasonable interest, and prior to receipt of any payment from the guaranty fund, the owner shall assign all of this right, title and interest in the claim up to such amount to the commissioner, and any amount and interest recovered by the commissioner on the claim shall be deposited to the guaranty fund.

(n) If the commissioner orders the payment of any amount as a result of a claim against a contractor, the commissioner shall determine if the contractor is possessed of assets liable to be sold or applied in satisfaction of the claim on the guaranty fund. If the commissioner discovers any such assets, he may request that the Attorney General take any action necessary for the reimbursement of the guaranty fund.

(o) If the commissioner orders the payment of an amount as a result of a claim against a contractor, the commissioner may, after notice and hearing in accordance with the provisions of chapter 54, revoke the certificate of the contractor and the contractor shall not be eligible to receive a new or renewed certificate until he has repaid such amount in full, plus interest from the time said payment is made from the guaranty fund, at a rate to be in accordance with section 37-3b, except that the commissioner may, in his sole discretion, permit a contractor to receive a new or renewed certificate after that contractor has entered into an agreement with the commissioner whereby the contractor agrees to repay the guaranty fund in full in the form of periodic payments over a set period of time. Any such agreement shall include

a provision providing for the summary suspension of any and all certificates held by the contractor if payment is not made in accordance with the terms of the agreement.

-end-

REGISTRATION AS HOME IMPROVEMENT CONTRACTORS AND SALESMEN

Current with material published in Conn.L.J. through 5/13/08

Sec. 20-430-1. Application for certificate of registration as home improvement contractor

Any person seeking a certificate of registration as a home improvement contractor shall apply to the commissioner of consumer protection on a form provided by said commissioner. Such application shall include:

- (a) Applicant's name;
- (b) Applicant's business status (individual, partnership or corporation);
- (c) Applicant's date of birth;
- (d) Applicant's social security number;
- (e) Applicant's residence address;
- (f) Applicant's business address;
- (g) Any trade name used by the applicant;
- (h) If incorporated, a listing of the names and addresses of all corporate officers;
- (i) A description of home improvements to be effected by the applicant; and
- (j) The applicant's signature, the date of said signature, and said applicant's signature verified under oath.

(Effective June 5, 1980.)

Sec. 20-430-2. Application for certificate of registration as home improvement contract salesman

Any individual seeking a certificate of registration as a home improvement contract salesman shall apply to the commissioner of consumer protection on a form provided by said commissioner. Such application shall include:

- (a) Applicant's name;
- (b) Applicant's date of birth;

- (c) Applicant's social security number;
- (d) Applicant's residence address;
- (e) Applicant's business address;
- (f) Any trade name used by the applicant;
- (g) A listing of the names and business addresses of all home improvement contractors on behalf of whom the applicant will solicit home improvement contracts;
- (h) A certification signed by each home improvement contractor listed pursuant to subsection (g) of this section that the applicant is authorized to solicit home improvement contracts on behalf of said home improvement contractor and that said contractor is duly registered; and
- (i) The applicant's signature, the date of said signature, and said applicant's signature verified under oath.

(Effective June 5, 1980.)

Sec. 20-430-3. Notification of change of address or name

Each registrant shall notify the commissioner of consumer protection of any change of residence or business address within thirty (30) days of such change. If any registrant is registered as or in association with any home improvement contractor, that registrant shall notify the commissioner of consumer protection of any change of the trade name of the home improvement contractor within thirty (30) days of such change.

(Effective June 5, 1980.)

HOME IMPROVEMENT CONTRACTOR APPLICATION INSTRUCTIONSChecks or money orders should be made payable to: *"Treasurer, State of Connecticut"***Registration Fees : (\$120.00 Registration Fee/\$100.00 Guaranty Fund Fee)****All Registrations Expire November 30 and Must Be Renewed Annually****Total Due: \$220.00****All applicants applying for a home improvement registration must complete the appropriate sections as indicated below:****If you are applying as an INDIVIDUAL, complete:****SEC I. Individual Information**

If applicable, print your trade (business) name.

* If your business and residence address are different, complete your business address and add your personal residence address to Section III.

SEC II. Organizational Structure

Check "Sole Proprietorship"

SEC IV. Relevant InformationAnswer all questions listed.**SEC V. Notarized Signature****If you are applying as a PARTNERSHIP, complete:****SEC I. Business Information**

Print your business information.

SEC II. Organizational StructureCheck "Partnership"**SEC III. Personal Information**Complete the personal information and residence address for each partner.**SEC IV. Relevant Information**Answer all questions listed.**SEC V. Notarized Signature**

Each partner must have his/her signature notarized.

If you are applying as a CORPORATION or LIMITED LIABILITY COMPANY or LIMITED LIABILITY PARTNERSHIP, complete:**SEC I. Business Information**

Print your business information.

SEC II. Organizational StructureCheck "Corporation" and submit a copy of your Articles of Organization orCheck "Limited Liability Company" and submit a copy of your Articles of Organization (Foreign

Corporations, LLC's

and LLP's shall provide an acceptance letter from the

Connecticut Secretary of State's office stating their Articles of Organization)

Check "Limited Liability Partnership"**SEC III. Personal Information**

Complete the personal information and residence address for the contractor of record and ALL Corporate officers, LLC or LLP members;

SEC IV. Relevant InformationAnswer all questions listed.**SEC V. Notarized Signature**

At least one (1) Corporate Officer, LLC or LLP Member must have his/her signature notarized.

To obtain additional information, please contact the following agencies:

Registration info at License Services (860) 713-6000

Licence.services@ct.gov

Department of Consumer Protection:
165 Capitol Avenue
Hartford, CT 06106Home Improvement Enforcement Unit (860) 713-6110
Email: trade.practices@ct.gov
Web Site: www.ct.gov/dcpDepartment of Revenue Services (860) 297-5962
Web site www.ct.gov/drs**Certificate of Authority for Out of State Corporations:** Secretary of State for Connecticut, 30 Trinity Street, Hartford, CT 06106
And Articles of Organization Information (860) 509-6200 or www.sots.state.ct.us

QUESTIONS AND ANSWERS ABOUT CONNECTICUT'S HOME IMPROVEMENT LAW

Q: Who is required to register with the Department of Consumer Protection under the Connecticut Home Improvement Act?

A: Home improvement contractors and salespersons contracting to work on residential property; anyone signing a contract with a homeowner must register.

Q: What is a "Home Improvement Contractor"?

A: Anyone who performs or offers to perform any home improvement, unless the home improvements total \$1,000 or less in a 12 month period or any single contract is worth less than \$200.00.

Q: What is the definition of "Home Improvement"?

A: Home improvement is any permanent change to residential property, including but not limited to driveways, swimming pools, porches, garages, roofs, siding, insulation, solar energy systems, flooring, patios, landscaping, painting, radon mitigation, residential underground oil tank removals, fences, doors, windows and waterproofing, unless the work contracted for is worth less than \$200.00.

Q: What work is not home improvement?

A: The following work is exempt:

- (1) new home construction; (a separate registration is required for new home construction)
- (2) work on commercial or business property,
- (3) work related to easily removable appliances, and
- (4) work performed without pay by the owner on his own private residential property.

Q: What are four basic requirements of registered contractors?

A: The following:

- (1) certificates of registration which are not transferable to other persons,
- (2) contractors must show their registration certificate to customers or potential customers who request it,
- (3) registration numbers must be included in any advertising, including contracts, business cards, vehicles, etc., and
- (4) the contractor shall provide and deliver to the owner a free, completed copy of the contract at execution.

Q: What provisions must be part of a home improvement contract?

A: All of the following provisions are required for a valid legal contract:

- (1) in writing,
- (2) signed by the owner and the contractor,
- (3) contains the entire agreement between the owner and the contractor,
- (4) contains the date of the transaction,
- (5) contains the name and address of the contractor,
- (6) contains a notice of the owner's three day right of cancellation,
- (7) contains a starting date and completion date, and
- (8) the contractor signing the contract is properly registered.

Notes:

(1) These question and answers are provided as a brief overview of the CT Home Improvement Act and Home Solicitation Sales Act in plain language. The specific legal provisions of the law can be found in Chapters 400 and 740 of the CT General Statutes.

(2) If you would like a copy of a booklet entitled, "The Connecticut Home Improvement Contractor," please call the Department of Consumer Protection at 860-713-6110 or 1-800-842-2649 or download from our web site at www.ct.gov/dcp



STATE OF CONNECTICUT
DEPARTMENT OF CONSUMER PROTECTION
License Services Division
165 Capitol Avenue
Hartford, CT 06106
Web Site: www.ct.gov/dcp

FOR OFFICIAL USE ONLY

APPLICATION FOR HOME IMPROVEMENT CONTRACTOR***Sec. I* Applicant Information. Please type or print**

Name of Individual, Partnership, Corporation, LLC or LLP			
Trade (Business) Name		Email address	
Street Address			PO Box
City		State	Zip Code
Business Phone (with area code)	Home Phone (with area code)	Have you filed a Trade Name Certificate at the Town Clerk's Office where your business is located? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Necessary	
Social Security #	Date of Birth	Driver's License #	State

If you are using an answering service or mail drop identify the name and address of this service:

Name	Address (Street, City, State, Zip Code)
------	---

*For Sole Proprietors: If your business address is different from your residence address, list your business address above and print your residence address in Sec. III.

***Sec. II* Organizational Structure:**

- ☐ Sole Proprietorship ☐ Limited Liability Company
☐ Partnership ☐ Limited Liability Partnership
☐ Corporation

***Sec. III* Personal Information** List Persons Associated with Ownership (Contractor of Record/Corp. Officers/Partners/LLC /LLP Members)
 Attach additional sheets as necessary.

Name of Contractor of Record (For Corporations)		Signature
Residence Street Address		PO Box
City	State	Zip Code
Home Phone (with area code)	Social Security #	Date of Birth
Driver's License #	State	

Name		Title
Residence Street Address		PO Box
City	State	Zip Code
Home Phone (with area code)	Social Security #	Date of Birth
Driver's License #	State	

Name		Title
Residence Street Address		PO Box
City	State	Zip Code
Home Phone (with area code)	Social Security #	Date of Birth
Driver's License #	State	

Sec. IV Relevant Information

1. Do you perform radon mitigation? ☐ Yes ☐ No If yes you must submit documentation that you have completed the required training. Do you remove residential underground oil tanks? ☐ Yes ☐ No If yes, and you do not hold a Occupational Trade license to do this work, submit the required documentation. **You may not perform this type of work without the required training and documentation being submitted to this department.**
2. Have any court judgments or administrative orders been issued against you or any person, company or entity that is affiliated with you, as a result of your home improvement activities in any state? ☐ Yes ☐ No
If yes, what state? _____ Provide, on a separate sheet, a written, notarized statement of the facts including the disposition and attach it to this application.
3. Has the applicant, or any of the partners, corporate officers or members ever been convicted of a felony crime or a criminal violation of the CT home improvement act. ☐ Yes ☐ No
If yes, provide, on a separate sheet, date(s) and nature of conviction(s), where the cases were decided and a detailed description of the circumstances relating to each conviction(s).
4. Have you or any of your partners, corporate officers or members, previously held a CT Home Improvement Contractor's Registration? ☐ Yes ☐ No
If yes, when? _____ Registration Number _____
5. Do you possess any trade licenses (plumbing, electrical, etc.)? ☐ Yes ☐ No If yes, License Number _____

I hereby personally guaranty any debt and/or obligation that the above mentioned registered entity may incur to The Department of Consumer Protection.

Certification

Connecticut General Statutes, Sec. 53a-157b provides "A person is guilty of false statement when he intentionally makes a false written statement under oath or pursuant to a form bearing notice, authorized by law, to the effect that false statements made therein are punishable, which he does not believe to be true and which statement is intended to mislead a public servant in the performance of his official function."

Sec. V Notarized Statement

I CERTIFY, UNDER PENALTY OF LAW (SEC. 53a-157b, CLASS A MISDEMEANOR), THAT THE ABOVE PROVIDED INFORMATION IN THIS APPLICATION IS THE TRUTH TO THE BEST OF MY KNOWLEDGE.

_____ Signature of Applicant	_____ Date	_____ Signature of 2nd Applicant	_____ Date
Subscribed and sworn before me this _____ day of _____ 20____			
_____ Signed:(Commissioner of Superior Court/Notary Public/Justice of the Peace)		_____ My Commission Expires	_____ Seal

PLEASE NOTE:

1. Return completed application and payment to:
Department of Consumer Protection, License Services Division, 165 Capitol Avenue, Hartford, CT 06106
2. Application must be accompanied by check or money order made payable to, "***Treasurer, State of Connecticut.***"
3. Your application must be signed in front of a **Notary Public, an Attorney, or Justice of the Peace.**
4. Please allow approximately three weeks for processing, issuing, printing, and mailing of your registration card if your application is complete when received. Incomplete applications will be returned. During this period, you are **NOT REGISTERED.**
5. You must notify the Department in writing of any **change of address or change of business name.** If you change the **entity type (example: sole proprietorship to LLC)** of your business you must submit a new application.
6. You must include your **registration number** in any advertisement you place.
7. Registration certificates are **non-transferable.**
8. Please be certain **all contracts used contain the necessary provisions** required by the Home Improvement Act.
9. Each corporation is required to designate and record on this application (Sec. III) a **Contractor of Record** for their corporation. The Contractor of Record is an individual designated by the corporation to direct and supervise the performance of home improvements by the corporation of the state. **Submit a copy of your Articles of Organization.**

➤ **UNTIL YOU RECEIVE YOUR REGISTRATION, YOU MAY NOT ACT AS A HOME IMPROVEMENT CONTRACTOR**

Home Improvement Contractor Laws State Summary Law Chart

Appendix

D

HOME IMPROVEMENT CONTRACTOR REQUIREMENTS										
STATE	Licensing or Registration	Fees for Licensing or Registration	Prior Experience	Education	Exam	Financial Solvency	Convictions or Bar	Insurance Requirements	Bonding Requirements	NOTES
Alabama	Licenses for Prime Contractor and Subcontractor	Prime Contractor: \$300.00 Subcontractor \$150.00 non-refundable application fee and annual fee (set by Board based on costs of running program)	Application asks for experience, and provides for verification through references. "sufficient experience" Ala. Code § 34-14A-7(a)(1)	None.	Administered by PSI for General Contractors, Business and Project Management for Contractors Examination and Skill Test Ala. Code § 34-14A-7(a)(6)	Ala. Code § 34-14A-7(a)(4)	Application asks for prior or current disciplinary actions, lawsuits, liens, or debts.			Ability and character also taken into consideration, Ala. Code § 34-14A-7(a)(6)
Alaska	Registration	Fees established by regulation under Alaska Stat. §§ 08.01.065 and 08.18.041	"experience requirements adopted by the department" Alaska Stat. § 08.18.022(a)(2)	"educational ... requirements adopted by the department" Alaska Stat. § 08.18.022(a)(2)	Alaska Stat. § 08.18.022(a)(1)	Alaska Stat. § 08.18.022(a)(4)		\$50,000 (for injury, including death, of one person) / \$10,000 (for injury, including death, of more than one person). Alaska Stat. §08.18.101(a)(2) \$20,000 Property Damage. Alaska Stat. §08.18.101(a)(2)	\$10,000 Alaska Stat. § 08.18.071(b)	Continuing education is required. 12 AAC 21.650 Failure to register is a misdemeanor.
Arizona	Licenses with a residential endorsement; Several specializations	Biennial license. Depends on the type of construction that will be done Ariz. Rev. Stat. § 32-1126(C)	"a minimum of 4 years practical or management experience, at least 2 of which must have been within the past 10 years, dealing specifically with the type of construction" Ariz. Rev. Stat. § 32-1122(F)(1)	"Technical training in an accredited college or university or in a manufacturer's accredited training program may be substituted for a portion of such experience, but in no case...exceed two years of the required four years' experience." Ariz. Rev. Stat. § 32-1122(F)(1)	Exam may be required. Ariz. Rev. Stat. § 32-1122(F)(2)	Ariz. Rev. Stat. § 32-1122(C)			Amount depends on license classification. Verify: \$5,000/\$10,000 Ariz. Rev. Stat. § 32-1152	Good character and reputation required Ariz. Rev. Stat. § 32-1122(D)

STATE		HOME IMPROVEMENT CONTRACTOR REQUIREMENTS								
	Licensing or Registration	Fees for Licensing or Registration	Prior Experience	Education	Exam	Financial Solvency	Convictions or Bar	Insurance Requirements	Bonding Requirements	NOTES
Arkansas	License	Annual fee not to exceed \$100 Ark. Code Ann. § 17-25-512	Ark. Code Ann. § 17-25-507			Ark. Code Ann. § 17-25-507(a)(4)		General Liability: Not less than \$20,000 per injury. Property: Not less than \$20,000 for damage to property. Injury: Not less than \$50,000 for one person; not less than \$100,000 for more than one person.		Any other fact tending to show ability and willingness to conserve the public health and safety. Ark. Code Ann. § 17-25-507(a)(5)
California	General License; 41 specialized licenses	Cal. Bus. & Prof. Code § 7066	Cal. Bus. & Prof. Code § 7068(a)		Cal. Bus. & Prof. Code § 7068(d)	Cal. Bus. & Prof. Code § 7067.5			\$7,500 bond requirement; can be doubled if prior convictions or revocations exist. Consumer can file claim against bond.	General contractor license; 41 types of specialty licenses. Salesperson's failure to register is a misdemeanor.
Colorado	None of record									
Connecticut	Registration	\$120 per year Conn. Gen. Stat. § 20-421	None.	None.	None.	None.	Must reveal prior discipline, debts to Guaranty Fund, and felonies upon registration & renewal.	None.	May require a bond of up to \$10,000, based upon prior discipline.	
Delaware	License Effective date: Jan. 1, 2014	\$75 per year Del. Code Ann. tit. 30 § 2502 Also additional fees on gross receipts paid under § 2502(c)								
District of Columbia	License	License fee to be determined by mayor DC Municipal Regulations, Title 16, Chapter 8						Property damage: Not less than \$10,000. Injury: Not less than \$50,000 for one person; not less than \$100,000 for more than one person.	\$5,000.00 Surety Bond requirement	Salesperson License also available.
Florida	License	\$175 fee – biennial licensure period Fla. Stat. Ann. § 520.63	Fla. Admin. Code Ann. § 61G4-15.001, 61G4-15.030(c)	Fla. Admin. Code Ann. § 61G4-15.001(1)(a)	Fla. Admin. Code Ann. § 61G4-15.030(b)	Fla. Admin. Code Ann. § 61G4-15.006	Fla. Stat. Ann. § 520.63(5)			
Georgia	General and Residential Licenses	?	Total of at least 4 years of active experience working in a construction field, at least 2 of which as or in the employment of a general contractor; Can substitute education.	4 year degree and 1 year of experience; or combination totaling 4 years. 4 years of experience can substitute for education.	Exam administered through PSI.		Extensive questioning on application related to past discipline, if taxes are paid in full, good moral character, etc.	General liability insurance in a minimum amount of \$500,000 per occurrence; Worker's compensation insurance requirement.		Many specialty trades are exempted from license. Documentation of "work experience" is part of the application process.

HOME IMPROVEMENT CONTRACTOR REQUIREMENTS										
STATE	Licensing or Registration	Fees for Licensing or Registration	Prior Experience	Education	Exam	Financial Solvency	Convictions or Bar	Insurance Requirements	Bonding Requirements	NOTES
Hawaii	Licenses for individuals and entities	Varies Haw. Admin. Rules §§ 16-77-12, 16-53-17	Haw. Admin. Rules § 16-77-10(a)(1)	"The board in its discretion may accept any reasonably equivalent knowledge, training, or experience of the applicant in lieu of a specific experience requirement if upon investigation it makes a detailed finding to that effect."	Haw. Admin. Rules §§ 16-77-39, 16-77-40	Haw. Admin. Rules § 16-77-10(a)-(b) Financial Statement is part of application process for individuals and entities.				"A minimum of three notarized letters certifying the individual's or RUC's history of honesty, truthfulness...and fair dealing..." Haw. Admin. Rules § 16-77-10(a)(1)
Idaho	Registration (required since 01-01-2006)	Not greater than \$150 per year (as of 2014) (fee is set by Contractors Board) Idaho Code § 54-5210(2)	None.	None.	None.			General liability insurance policy covering construction operations of not less than \$300,000 single limit		
Illinois	None of record	None.	None.	None.	None.		None.	Insurance required: Public liability/property damage \$100,000 per person; \$300,000 per occurrence of bodily injury; \$50,000 per occurrence for property damage; \$10,000 per occurrence for home repair not in conformance with building codes. Waived if min. net worth is \$1,000,000 (Ill. Comm. Stat. Sec. 513/25)		Contracting requirements, including the use of specific contract language, is enforced by the Attorney General. (Ill. Com. Stat. Sec. 515/35) Contractor shall use the real name of the person or business, not a fictitious name. (Ill. Com. Stat. Sec. 505/20 et seq.)
Indiana	None of record	None.	None.	None.	None.	None.	None.			"Home Improvement Fraud" Ind. Code Ann. Sec. 35-43-6-1 et seq.
Iowa	Registration	\$50 (not greater than \$50/year, exact fee determined by the Labor Commissioner) Iowa Code § 91C.4							Bonding Requirement of \$25,000.00	

HOME IMPROVEMENT CONTRACTOR REQUIREMENTS										
STATE	Licensing or Registration	Fees for Licensing or Registration	Prior Experience	Education	Exam	Financial Solvency	Convictions or Bar	Insurance Requirements	Bonding Requirements	NOTES
Kansas	Registration for Roofing Contractors. (as of 7-1-13) Municipalities and counties may license general contractors, building contractors, and residential contractors	\$250.00 annual registration fee with all renewals made on or before July 1. Pro-rated to \$125.00 if applying after January 1.	Roofing Contractor applications per "Kansas Roofing Registration Act" shall contain "A statement of the applicant's experience and qualifications as a roofing contractor, if any."	None.	None for Roofing Contractors. If municipality or county authorizes: Competency examinations for general contractors, building contractors and residential contractors are those prepared and published by the International Conference of Building Officials, or from Block & Associates		Must disclose prior disciplinary actions related to roofing work in Kansas or other states, as well as any felony convictions.	Need liability insurance policy of not less than \$500,000 and Worker's Compensation Insurance.		Any violation of the KRRA is considered a deceptive or unconscionable act or practice under the Kansas Consumer Protection Act, K.S.A. 50-623, et seq. Local or country licensing per Kan. Stat. Ann. Secs. 12-1556 through 12-1558
Kentucky	None of record									
Louisiana	Registration for Home Improvement; also two Builder licenses with specializations	Not greater than \$100/year (exact fee determined by subcommittee. Exam fees; Fees to add specialty classifications.			Only for builder licenses, not Home Improvement. La. Rev. Stat. Ann. § 37:2156.1(G) Exam covers business and specific trade	La. Rev. Stat. Ann. § 37:2156.1(C)		My carry General liability insurance in the amount of \$100,000; and Worker's Compensation Insurance.		
Maine	None of record.									
Maryland	License	Typically, for contractor: \$250 per place of business. For subcontractor: \$150. For salesperson: \$100. The fee for processing: \$20. Md. Code Ann. Bus. Reg. § 8-303(a)(2)-(3), (f).	Either 2 years of experience or comparable educational training. Md. Code Ann. Bus. Reg. § 8-302.2	Either 2 years of experience or comparable educational training. Md. Code Ann. Bus. Reg. § 8-302.2	Exam is through PSI. Md. Code Ann. Bus. Reg. § 8-302	Md. Code Ann. Bus. Reg. § 8-303(d)		Contractors must show proof of current \$50,000 liability insurance at times of application and renewal.		State maintains a Guaranty Fund.

STATE		HOME IMPROVEMENT CONTRACTOR REQUIREMENTS								NOTES
	Licensing or Registration	Fees for Licensing or Registration	Prior Experience	Education	Exam	Financial Solvency	Convictions or Bar	Insurance Requirements	Bonding Requirements	
Massachusetts	Registration	\$150 every two years Mass. Gen. Laws Chapter 142A, § 11 Guaranty Fund fee \$100 (0 to 3 employees) to \$500 (over 30 employees).					Applicant must provide the name(s) of any businesses registered pursuant to M.G.L. chapter 142A & 780 CMR R6 in which the applicant was an officer, partner, or co-venturer.			
Michigan	License "Residential Builders and Alteration & Maintenance Contractors"	Mich. Comp. Laws Ann. § 339.2404(1)		Education requirement: 60 hours of approved pre-licensure courses. 6 hour minimum in each of seven topic areas. Mich. Comp. Laws Ann. § 339.2404b	Mich. Comp. Laws Ann. § 339.2404	Mich. Comp. Laws Ann. § 339.2404b				Since 1980.
Minnesota	License	\$90 for a one year license. \$180 for a two year license. \$270 for a three year license. Minn. Stat. Ann. § 326B.815, 326B.092 subdivision 7(C)		Education requirement Minn. Stat. Ann. § 326B.805, subdivision 4	Minn. Stat. Ann. § 326B.805, subdivision 4	Minn. Stat. Ann. § 326B.805, subdivision 5(c)-(d)				
Mississippi	License for residential remodeling or roofing over \$10,000.	\$50.00 application fee for individual or business entity. \$100.00 annual renewal. Majority of fees deposited in non-lapsing "State Board of Contractors Fund" per Section 31-9-17	Must list work experience on application form.	None.	"Uniform written examination" or an equivalent oral examination by the Board per Section 73-59-5.	Application asks for a list of all current unfinished jobs.	Board considers previous complaints in reviewing each application.	General liability insurance and Worker's Compensation insurance.		
Missouri	None of record.									
Montana	Registration only necessary if contractor has an employee.	\$55.00 for a two-year registration. Fee may be raised up to \$70.00 per Mont. Code Ann. § 39-9-206(3). Fees deposited into admin & enforcement fund.	None.	None.	None.	None.		Law is intended to ensure that all contractors carry Worker's Compensation insurance per Sec. 39-71-405		

HOME IMPROVEMENT CONTRACTOR REQUIREMENTS										NOTES
STATE	Licensing or Registration	Fees for Licensing or Registration	Prior Experience	Education	Exam	Financial Solvency	Convictions or Bar	Insurance Requirements	Bonding Requirements	
Nebraska	Registration	\$40.00 annual fee. Neb. Rev. Stat. § 48-2107(1)	None.	None.	None.	None.	None.	Must carry Worker's Compensation Insurance.		
Nevada	Licenses for General Contractor and for Specialty Contractors (36 types)	Every 2 years Nev. Stat. Ann. § 624.283(1)	Must have at least four years of experience to apply. Nev. Stat. Ann. § 624.260(1) Approved education courses can satisfy up to 3 years of experience requirements.	"Training received in a program offered at an accredited college or university or an equivalent program accepted by the board may be used to satisfy not more than 3 years of experience required pursuant to this subsection." Nev. Stat. Ann. § 624.260(5)	Administered by PSI. Required to pass written Business and Law (Construction Management Survey exam) and individual trade examinations, unless waivers are obtained. Authority for Board to require exams: Nev. Stat. Ann. § 624.240(1)	Nev. Rev. Stat. Ann. § 624.283(3)	Nev. Rev. Stat. Ann. § 624.265(1)(c)			
New Hampshire	License (as a "Hawker or Peddler" per N.H. Rev. Stat. Ann. § 320:1 et seq.)	\$50.00 annual fee. N.H. Rev. Stat. Ann. Sec. 320:8	None.	None.	None.	None.				License applies to those who travel from town to town or within a town to perform home improvement services.
New Jersey	Registration	\$90.00 initial application fee and upon yearly renewal.			none			Need commercial general liability insurance of \$500,000 per occurrence.		Home improvement retailers with \$50 Million of assets and their employees are exempt from registering.
New Mexico	Individual and entity licenses for General Contractor, Roofing Work, and Stucco Work	\$36.00 Application Fee; \$300.00 annual fee for major classifications, \$150.00 for others. N.M. Stat. Ann. § 60-13-20	Yes. Amount varies with license type: General "GB-98" 4 years, Residential "GB-2" 2 years.	A business and law course of study from certain institutions could waive the examination requirement N.M. Stat. Ann. § 60-13-16	Exam administered by PSI. Required "Contractor's Business and Law" exam (or a business and law course of study from approved institutions). N.M. Stat. Ann. § 60-13-16	None.	Application asks about prior disciplinary actions, and any unpaid legal obligations including court judgments and child support.		Need \$10,000 "Consumer Protection Code" Bond (as of 2009).	
New York	None of record (statewide)									Counties may enact HIC rules, and several have.

STATE		HOME IMPROVEMENT CONTRACTOR REQUIREMENTS								
	Licensing or Registration	Fees for Licensing or Registration	Prior Experience	Education	Exam	Financial Solvency	Convictions or Bar	Insurance Requirements	Bonding Requirements	NOTES
New York Westchester County	License	\$3000.00 for biennial license (nonrefundable upon application).	Application requires "detailed" listing of 5 years of previous experience.		Administered by Department of Consumer Protection.		Application asks for criminal convictions, and HIC infractions. Sole proprietorships and partners must submit notarized child support forms.	Liability insurance listing any coverage exclusions. Worker's Compensation Bond also required.		Westchester County requires landscapers to also complete "Approved Turf Management Course." Yonkers has additional HIC requirements.
North Carolina	License	\$125.00 if the application is for an unlimited license. \$100.00 if the application is for an intermediate license. \$75.00 if the application is for a limited license N.C. Gen. Stat. § 87-10(a)			Administered by PSI. N.C. Gen. Stat. § 87-10	N.C. Gen. Stat. § 87-10(a)	N.C. Gen. Stat. § 87-10(a)			"Homeowner's Recovery Fund" has been available since 1991.
North Dakota	License for individual or entity (multiple classes based upon maximum project cost)	Depends on license: Class A - \$300 Class B - \$200 Class C - \$150 Class D - \$50 Renewals: Class A - \$60 Class B - \$40 Class C - \$30 Class D - \$10 N.D. Cent. Code § 43-07-07	N.D. Cent. Code § 43-07-04(1)		Administered by Secretary of State.		"may also require any other information to assist the registrar in determining the applicant's fitness to act in the capacity of a contractor, including...criminal history" N.D. Cent. Code § 43-07-04(1)	Proof of liability insurance is required upon application and upon renewal per N.D. Century Code, Sec. 43-07-04 Need to provide a Certificate of Insurance, and proof of Worker's Compensation Insurance.		License is needed for any projects totaling \$2,000 or more.
Ohio	None of record (state-wide).									Cities may require licensing of home improvement contractors.
Oklahoma	Registration Per "Roofing Contractor Registration Act."	\$75.00 annual fee.					Application asks for any prior disciplinary actions, and if any felony convictions.			Must have general liability insurance of no less than \$500,000.00, and Workers' Compensation Insurance coverage

STATE		HOME IMPROVEMENT CONTRACTOR REQUIREMENTS								
	Licensing or Registration	Fees for Licensing or Registration	Prior Experience	Education	Exam	Financial Solvency	Convictions or Bar	Insurance Requirements	Bonding Requirements	NOTES
Oregon	Optional "Certified Master Builder" designation	\$150.00 for three years. (determined by Construction Contractors Board Or. Rev. Stat. §§ 701.056, 701.238)			Yes, if applying for optional "Certified Master builder" credential.					Endorsement required Or. Rev. Stat. § 701.021 Continuing education required. Or. Rev. Stat. § 701.126
Pennsylvania	Registration (required if individual performs \$5,000 per year of home improvement work)	\$50.00 upon application and renewal (biennial, every two years). (Individuals or entities may register.)	None.	None.	None.		Application asks for any prior disciplinary actions related to home improvement, as well as any criminal convictions.	Liability insurance for personal injury of at least \$50,000 and property damage of at least \$50,000. Section 517.4(a)(1)(x)		Home improvement retailers with a net worth of \$50 million or more also do not need to register.
Rhode Island	Registration	\$200.00 every two years (biennial). R.I. Gen. Laws § 5-65-9	None.	Continuing education required R.I. Gen. Laws § 5-65-5(e)	None.			Insurance of \$500,000 combined single limit, bodily injury, and property damage		
South Carolina	License for "Residential Builders" Registration of various "Specialty Contractors"	Annual fees determined by the department S.C. Code Ann. § 40-59-220(A)	The Commission may consider experience; ability; character; financial condition; equipment; Workers' Compensation insurance; and other pertinent information the Commission may require. § 40-59-220(B)	Education OR Experience § 40-59-220(B). The commission may require continuing education S.C. Code Ann. § 40-59-230	S.C. Code Ann. § 40-59-220 220	§ 40-59-220(B)(4) Credit Report must be submitted with applications for license or registration § 40-59-250	A conviction is not an absolute bar unless the conviction arose from some act that dealt with this occupation. S.C. Code Ann. §§ 40-1-140, 40-59-140			Chapter 11 "Contractors" and Chapter 59 "Home Builders"
South Dakota	None of record.	\$250.00 every two years								
Tennessee	License required in 9 counties (for projects from \$3,000 to less than \$25,000)	Tenn. Code Ann. § 62-6-504	Application requires a listing of relevant work experience. Tenn. Code Ann. § 62-6-506(a)		No examination required.	Board may seek information about financial circumstances. Tenn. Code Ann. § 62-6-506(a)	Felony conviction requires full Board to approve license. Disciplinary action related to home improvement and felonies require documentation and Board approval.	General Liability Insurance minimum of \$100,000. Worker's Comp. Insurance is also required.	\$10,000 bond or Letter of Credit.	Nine (9) counties have adopted the State's licensure scheme, but additional counties may implement it at any time.

HOME IMPROVEMENT CONTRACTOR REQUIREMENTS										
STATE	Licensing or Registration	Fees for Licensing or Registration	Prior Experience	Education	Exam	Financial Solvency	Convictions or Bar	Insurance Requirements	Bonding Requirements	NOTES
Texas	None of record (state-wide).									Localities may adopt contractor registration or licensing (example: San Antonio)
Utah	License; many specializations	\$210 for license and first specialization; \$110 for additional specialization. Utah Code Ann. § 58-55-302 \$195 to Residence Lien Recovery Fee.	Two years paid experience Utah Code Ann. § 58-55-302(e)(2)	Six hours of continuing education required during each 2-year renewal cycle. Utah Code Ann. § 58-55-302.5	Administered by PSI. Utah Code Ann. § 56-55-302(m)(1)(b)	Utah Code Ann. § 58-55-302(e)(1)	Extensive questioning on application related to past discipline, fitness, bankruptcy, etc.	\$100,000 minimum required liability coverage for each incident and \$300,000 in total.		Payment of \$195 into Residence Lien Recovery Fund is required of most classifications. Licensing Act is administered by Dept. of Commerce.
Vermont	None of record	None.	None.	None.	None.	None.	None.			Any contract over \$500, or multiple contracts totaling \$2500, are subject to the "Home Improvement Act" 13 V.S.A. § 2029
Virgin Islands	License	\$200.00 per year 27 V.I.C. §§ 301(d), 302(e)			PSI administers NASCLA Accredited Examination for Commercial General Building Contractors.					
Virginia	License	Department sets fees for Class A, B, and C contractors' license registration Va. Code Ann. §§ 54.1-1106 54.1-1108, 54.1-1108.2			For Class A and B contractors Va. Code Ann. §§ 54.1-1106 and 54.1-1108	For Class A and B contractors Va. Code Ann. §§ 54.1-1106 and 54.1-1108				The various classes of licensure are explained in Va. Code Ann. § 54.1-1103(C)
Washington	Registration for General Contractor and for Specializations	\$113.40 (can adjust based on economic conditions) Wash. Rev. Code Ann. § 18.27.075 Veteran's waiver.						Liability Insurance of \$250,000 Combined Per Occurrence	Surety Bond or Assigned Savings Account (\$12,000 for General Contractor or \$6,000 for Specialty Contractor)	Dozens of occupational specializations are available.
West Virginia	License	Not more than \$150 per year (exact amount to be determined by Board) W. Va. Code § 21-11-8			W. Va. Code § 21-11-5					

STATE		HOME IMPROVEMENT CONTRACTOR REQUIREMENTS								
	Licensing or Registration	Fees for Licensing or Registration	Prior Experience	Education	Exam	Financial Solvency	Convictions or Bar	Insurance Requirements	Bonding Requirements	NOTES
Wisconsin	Registration (for exemptions; see Notes)	\$40.00 credential fee for "Dwelling Contractor" or "Restricted Dwelling Contractor" Registration.		Continuing Education is mandated for renewal.	None.			Worker's compensation, Unemployment insurance, and liability coverage of \$250,000 per occurrence because of injury/death, or property damage; Can substitute a Bond.	Requires a \$25,000 bond OR sufficient liability insurance.	Dwelling Contractor or Restricted Contractor registration is needed to obtain any building permit for homes built after 1980.
Wyoming	None of Record									

Complaint Counts by Alleged & Found Issues

Home Improvement Complaints filed with Department of Consumer Protection

Complaints "CLOSED" between July 1, 2011 through July 1, 2014

Issue	Total Number of Alleged Issues	Total Number of Found Issues
- Pending Issue	2	
ADVERTISING	81	68
BACKGROUND	229	175
BAD CHECK (License Services Only)	41	29
CONTRACT VIOLATION	88	72
CONTRACTOR FAILED TO PAY SUPPLIER OR SUB	9	8
DAMAGE (HOME HAS BEEN DAMAGED)	105	89
DEPOSIT	186	149
DISPUTE OVER PRICE CHARGED	65	52
FAILURE TO CLEAN-UP WORK SITE	9	9
FAILURE TO COMPLETE WORK	696	605
FAILURE TO REIMBURSE CONSUMER	95	78
FAILURE TO REIMBURSE GUARANTY FUND	61	38
GUARANTY FUND APPLICATION	457	370
INVESTIGATION TO INCLUDE BACKGROUND CHECK	242	224
NO BUILDING PERMIT	91	64
QUALITY OF INSTALLED MATERIALS OR PRODUCTS	102	88
REPRESENTING ONESELF FALSELY AS A REGISTRANT	15	10
ROOF REPAIR	32	28
SOLICITATION	20	10
UNREGISTERED	755	523
UNREGISTERED SALESPERSON	40	20
Warranty	9	3
WORKMANSHIP	1077	952
Totals	4,507	3664

Appendix F

AWB ELECTRICAL SERVICES LLC
ALBERT BARILE
107 SOUTH MAIN STREET #4
BRANFORD, CT. 06405
E-1 193215
(203)-499-7079
email: albertbarile@sbcglobal.net

DEPARTMENT OF CONSUMER PROTECTION
165 CAPITAL AVENUE
HARTFORD, CT. 06106-1630

SENATOR MYERS

15 SEPTEMBER 2013

RE: SPECIAL ACT NUMBER 13-18

TO WHOM IT MAY CONCERN:

IT HAS BEEN BROUGHT TO MY ATTENTION THAT A STUDY IS TAKING PLACE REGARDING THE ESTABLISHMENT OF STRICTER REQUIREMENTS FOR ENTRY, AND CONTINUATION FOR HOME IMPROVEMENT CONTRACTORS.

I INTEND TO BRIEFLY OUTLINE MY OBSERVATIONS, BOTH, FROM AN ELECTRICAL CONTRACTOR, AND FROM MANY EXPERIENCES IN DEALING WITH THE PUBLIC AND THEIR PITFALLS AND PERCEPTIONS; HOME IMPROVEMENT (NON)-CONTRACTORS AND THEIR BELIEFS AND INTERPRETATIONS OF THE LAWS.

IF YOU FEEL THE NEED FOR FURTHER ASSISTANCE FROM ME, I AM WILLING TO PARTICIPATE AND TESTIFY TO THE CURRENT SYSTEM BASED ON MANY YEARS IN THE RESIDENTIAL FIELD AS AN ELECTRICIAN.

MY BACKGROUND IS THAT I HAVE BEEN ON MY OWN FOR THE LAST 7-8 YEARS AS AN ELECTRICAL CONTRACTOR. I HAVE BEEN DOING THIS WORK FOR 30 YEARS, BUT ONLY OVER THE LAST 10 YEARS I HAVE SEEN UP CLOSE WHY THIS FIELD HAS BEEN COMPROMISED AND THE LAWS REPEATEDLY IGNORED.. THE ANNUAL BUST IS FINE FOR ELECTIONS, BUT YOU NEED TO REALLY REVAMP THE LICENSING AND PENALTIES OF THIS AREA THROUGHOUT THE WHOLE YEAR. I AM GOING TO BE BRIEF ON THESE PROBLEMS, BUT CAN ADD MANY MORE SITUATIONS THAT ARE NOT THE EXCEPTION, BUT THE RULES THAT EXIST TODAY BY THOSE WHO PARTICIPATE IN THIS FIELD.

SECTION 1. (b) (1); SHOULD THEY BE TESTED AND LICENSED INSTEAD OF REGISTERED WITH THE STATE.

WHY IS THIS COMING UP NOW? MANY OF THOSE IN THE BUILDING FIELD, POSING AS KNOWLEDGEABLE CONTRACTORS, DO SO BECAUSE THEY CANNOT GET A JOB ANYWHERE DUE TO THEIR LACK OF KNOWLEDGE, POOR EDUCATION, AND SKILLS.

HERE YOU REWARD AN INDIVIDUAL A LICENSE BECAUSE THEIR CHECK CLEARS. THAT IS FOR THE ONES THAT DO "PAY" THE ANNUAL FEE. YOU HAVE MANY INDIVIDUALS DOING WORK ILLEGALLY, IN ALL AREAS, WITHOUT A LICENSE. ALWAYS FOR CASH, WHICH TRANSLATES INTO NO INCOME TAXES; WHEN THEY GET SICK, THEY AVOID PAYMENT OF MEDICAL SERVICES, GO TO THE HOSPITAL AND CLAIM THEY HAVE NO INCOME; AND THE HYPOCRISY CONTINUES DOWN THE LINE; FOOD STAMPS, HEATING ASSISTANCE, AND SO ON.

SECTION 1.(b)(2); WHAT PROBLEMS, IF ANY, EXIST WITH THE CURRENT SYSTEM.

1. NO TRAINING LEADS TO SUBSTANDARD WORK; CODE VIOLATIONS; SAFETY AND LIABILITY ISSUES. PERMITS NOT PULLED.
2. THEY HAVE LIMITED, IF ANY, KNOWLEDGE OF THE LAWS REGARDING THEIR ROLES AS GENERAL CONTRACTORS. **MANY BELIEVE THEY CAN PERFORM ELECTRICAL AND PLUMBING ON A "LIGHT" LEVEL! WHAT IS LIGHT ELECTRICAL WORK? LIGHT PLUMBING?**
3. WHEN THEY DO READ, THEY MISINTERPRET, OR INTERPRET THE WORDING TO THEIR ADVANTAGE, SO THAT THEY CAN PERFORM BEYOND THE SCOPE OF THEIR WORK AREA.
4. **EXCEPTIONS FROM THE LIST OF 15. SINGLE FAMILY HOMES DO NOT NEED PERMITS, OR ON A LIMITED BASIS.**
5. SO CALLED HANDYMEN AND BUILDERS USE THIS TO AVOID PERMITS AND INSPECTIONS. WHY? WORKMANSHIP; MORE COSMETIC AND APPEALING TO HOMEOWNERS WHO CAN GET THE WORK DONE CHEAPER BY NON-LICENSED WORKERS. OBVIOUSLY, THE WORK IS NOT TO CODE DUE TO THE COST DIFFERENTIAL. THEY BASICALLY LEAVE THE ELECTRICAL AND PLUMBING AS IS TO KEEP THE PRICE COMPETATIVE.
6. ALLOWING HOMEOWNERS TO WORK INSIDE THEIR HOMES WITHOUT GETTING THE WORK INSPECTED IS DANGEROUS. THEY JUST DO NOT TAKE INTO CONSIDERATION THE CORRECT WAY AND LEAVE THEIR HOMES IN AN UNSAFE SITUATION. NOT FAIR TO THE NEXT PERSON WHO BUYS THE HOME. THEY ALSO DEPEND ON HOME DEPOT AND LOWES WORKERS TO GUIDE THEM IN THEIR QUEST TO REMODEL.
7. HOUSE FLIPPERS USE THE SINGLE-FAMILY HOMES CLAIMING THEY ARE PAINTING AND CHANGING CABINETS OUT. MEAHWHILE, THEY COSMETICALLY REMODEL A KITCHEN, BATHROOM, AND SO ON, NEVER UPGRADING THE ELECTRICAL AND PLUMBING AS IS REQUIRED WHEN

REWORKING THESE AREAS. AGAIN, THE NEXT BUYER DOES NOT REALIZE THIS, EVEN WITH YOUR HOME INSPECTION.

8. THE HOME INSPECTIONS BEFORE PURCHASING A HOME IS IN NEED OF REFORM. IT IS HARD TO EXPECT ONE PERSON TO BE THOROUGH WITH ALL BUILDING TRADES.
9. WHY WOULD THE INSURANCE INDUSTRY GIVE LIABILITY INSURANCE TO HANDYMEN, AND HOME IMPROVEMENT CONTRACTORS FOR ELECTRICAL AND PLUMBING WORK? A CONTRACT IS GUIDED BY LEGALITY. SO HOW DOES ONE WHO IS ENGAGED IN VIOLATING THE STATUTES GET COVERED?

ALSO, MANY LICENSED TRADESMEN, AND INSPECTORS, DO NOT FEEL THE DCP IS SUPPORTING THEM, OR WORKING ON IMPROVING THE SITUATION.

I FEEL THAT THE HOMEOWNERS HAVE EVERY MEANS TO AVOID GETTING TAKEN, BUT IN A HASTY SOCIETY, THEY FAIL TO PROPERLY PLAN A PROJECT IN A TIMELY MANNER. I ENCOURAGE THEM TO GO TO THE BUILDING DEPARTMENT AND SEEK ADVICE, KNOWLEDGE, AND WISDOM. THE COMPUTER OFFERS AN AVENUE TO VERIFY LICENSED, ETC..

SECTION 1.(b)(4) RECOMMENDATIONS FOR IMPROVEMENT.

1. TRAINING AND TESTING.
2. YEARLY RETRAINING.
3. ALLOW INSPECTORS TO GIVE TICKETS LIKE THE POLICE. USE THE DCP AS THE COURHOUSE.
4. REMOVE SINGLE FAMILY EXCEPTIONS AND REQUIRE PERMITS BY LICENSED CONTRACTORS.
5. SUPPORT INSPECTORS MORE AND STIFFEN FINES, ETC..
6. THERE IS NO SUCH THING AS LIGHT ELECTRICAL AND LIGHT PLUMBING.

IF YOU ARE SERIOUS ABOUT MAKING CHANGES; BY ENFORCING THE LAWS MORE STRICTLY; REVENUE CAN INCREASE FOR THE TOWNS, POSSIBILITY OF HIRING MORE INSPECTORS; SAFER WORK AND FEWER CHANCES FOR TRAGEDIES; THERE ARE MANY WHO WOULD LIKE TO SPEAK UP.

THE REALITY, TESTING WOULD INITIALLY SHRINK THE RANKS; MANY WOULD FAIL THE TESTING INITIALLY. BUT TRAINING AND SCHOOLING COULD BE MADE AVAILABLE.

RIGHT NOW, IT APPEARS TO BE MORE REVENUE GENERATED FOR THE LICENSING AND INSURANCE INDUSTRIES. A FORM OF BEAN COUNTING; THE BOTTOM LINE. IF SERIOUS PLEASE CONTACT.

ALBERT BARILE



**HOME BUILDERS & REMODELERS ASSOCIATION
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*Your Home
Is Our
Business*

June 4, 2014

To: Honorable William M. Rubenstein,
Commissioner, Department of Consumer Protection

From: William H. Ethier, CAE, Chief Executive Officer

Re: Special Act 13-18 and Home Improvement Contractor Licensing

On behalf of the HBRA of Connecticut, thank you very much for the opportunity to comment on the Department of Consumer Protection's charge, under Special Act 13-18, to report to the legislature on the home improvement contractor (HIC) registration program.

The HBRA of Connecticut is a professional trade association with about eight hundred fifty (850) member firms statewide employing tens of thousands of CT's citizens. Our members, all small businesses, are residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry and to consumers. While our membership has declined over the course of our eight-year Great Recession from its high of 1,500 members, we build between 70% to 80% of all new homes and apartments in the state each year and engage in countless home remodeling projects.

We provide comments below on the four questions posed to the agency by the legislature. We also offer comments on additional issues that we strongly believe need to be addressed to improve the regulation of HICs and further protect consumers.

We have traditionally opposed HIC licensing (i.e., mandatory education and testing) for a variety of reasons that can be summarized in the attached talking points, which we used in 2013 before the legislature. In 2013, a small group of remodelers, CT Chapter of NARI, proposed an undefined program to license HICs. It was unclear from the presentations made at the public hearing before the General Law Committee exactly what would be included in the proposed licensing program. The lack of clarity and specifics of the proposal, as with all such proposals over many past years, produces our opposition.

As noted in the heading of the attached talking points, better regulation of HICs and better protection of consumers is a multi-layered problem that will not be solved by undefined education and testing of contractors. While we fully support and work hard to promote professionalism in our industry and improve the skills of our members, and recognize the high number of consumer complaints against HICs, we also believe the issues concerning our industry should not be overstated. While the raw number of HIC complaints is high relative to complaints about other regulated businesses, when compared to the vast number of entities operating in our industry (upwards of 35,000 contractors), the level of complaints on a percentage basis is likely comparable to other regulated businesses and trades.

Questions Posed by Special Act 13-18:

1. Whether home improvement contractors should be tested and licensed, instead of registered, by the Department of Consumer Protection:

Since the problems surrounding this topic are multi-layered, testing and licensing HICs should not be considered unless and until certain issues regarding enforcement, consumer education and program structure are addressed. Without dealing with these matters, testing and licensing HICs will not create a better regulatory system or improve consumer protection. If these matters are addressed, as described in this memo, we believe that both contractors and consumers could be better served with a requirement for, or perhaps with incentives to voluntarily undertake, some minimal education, as outlined below.

To better answer question 1. of Special Act 13-18, we start with additional questions. What is the purpose of requiring home improvement contractors to be registered or licensed in the first place? Assuming the answer is to protect consumers, the next question is, protect them from what? - Unscrupulous contractors, unqualified or poorly skilled tradesmen, poorly skilled business owners, or some combination of all?

Unscrupulous contractors, those who don't follow the law, commit fraud, or intentionally or with gross negligence cause property damage or otherwise harm consumers, will likely continue to work underground regardless of the registration/licensing laws they may be breaking – unless the penalties are so severe it is not worth the risk of avoiding compliance (see question 2 below).

For other contractors, the vast majority of whom want to do right by their customers while earning a living, also produce complaints from consumers that are based on any number of issues, such as workmanship questions, or unclear expectations of what a project will include. However, it is impossible to glean from the DCP database of complaints exactly what was involved that led to a consumer complaint. **We have proposed to DCP in the past – and do so again here – that the agency use a more specific complaint form that is tailored to the HIC industry.** We offer again such a form that we developed for the agency's use and would be happy to meet with you and your staff to discuss its implementation. We believe the better data that will be produced from such a specific complaint form will lead to better solutions that address the genesis of consumer complaints about HICs.

In addition, we do not know if the agency utilizes – but would propose that it does use – widely-accepted performance guidelines produced by the industry that addresses workmanship issues in residential construction. A couple such nationally-recognized publications exist and we would be happy to meet with you and your staff to discuss their use. Such performance guidelines, if more broadly used by residential contractors and distributed to their customers, could greatly reduce the volume of complaints that are based on workmanship issues.

To supplement the attached talking points that speak against licensing, **another issue that must be addressed, depending on what would be taught in any mandatory educational sessions, is the huge breadth of how HICs are defined under CT law.** Perhaps, certain topics, such as those outlined in the agency's booklet, The Connecticut Contractor for Home Improvement and New Home Construction, are applicable to all HICs. We find the agency's 2013 booklet to be very good, and a curriculum based on some of its contents may be appropriate, provided other issues we offer in this memo are also addressed. About fifteen (15) years ago, we actually developed such a curriculum through the work of our association's Contractor Quality & Education Committee. Part of that effort was the creation of the CT Institute of Professional Builders & Remodelers, Inc. (CIPBR), a 501(c)(3) charitable, education and research organization wholly-owned by the HBRA of CT. If a continuing education curriculum is to be mandated or an incentive-based approach is created, CIPBR, Inc. is an established vehicle to provide such education and certify participation to the agency.

But the various types of knowledge or proficiencies advocated by others in the past (e.g., building code knowledge, proficiency in various trades) is simply not applicable to all HICs. For example, most landscapers, painters, window treatment specialists or many others who perform home improvements not requiring a building permit do not need to have any knowledge of building codes. The knowledge and skills required by a framer are very different from those required of a tile installer, a roofer, a garage door installer, and countless other specialty unlicensed trades or work practices. Therefore, a decision would have to be made as to what would be taught in any mandatory educational requirement and to which HICs such mandate would apply. But we do not recommend developing tens upon tens of different curricula tailored to the many different trades and skill sets required to perform the wide universe of home improvements.

Another issue that needs to be addressed if licensing is adopted, is who (which persons) will be required to be educated? Currently, it is the HIC firm, as well as HIC salespersons, that are registered. Some firms have business owners that do not perform most (and for some, not even any) of the actual work. A responsible person would have to be identified for each licensed firm, and a tracking system established to follow the responsible person if, for example, they move to another firm or set up a new firm.

Finally, if licensing is adopted in any form, e.g., full blown licensing with education and testing, certified continuing education requirements without testing, an incentive-based voluntary approach to education, or an incentive-based acquisition of industry-backed certifications or designations, the price charged to consumers will go up. It may be worth it if done correctly, but such a result is certain to occur.

2. What problems, if any, exist with the current system of registration of home improvement contractors:

The biggest problem with the current registration program is the need for more aggressive enforcement. We recognize this is a resource issue for the agency, and that falls on the legislature for raiding the money HICs pay for registrations and the guaranty fund. We also challenge the notion that certain contractors should not be put out of business. We strongly support a level playing field for all contractors. While we can understand some leniency for first-time offenses (our general philosophy of business regulation is to use initial enforcement as an educational tool, a teaching moment, to bring violators on board with what they should be doing), we believe subsequent violations should be dealt with more harshly. Again, some contractors violate the law because it's worth the risk of getting caught. We urge the legislature to make that risk untenable. We also believe that focusing enforcement efforts on unregistered contractors will provide the biggest bang for the agency's limited dollars. If licensing or continuing education is required (see question 1 above), greater enforcement and focus on unlicensed contractors becomes even more important. Unlicensed contractors may want to avoid the time and expense of attending courses, creating an additional advantage for them relative to the legitimate contractor who takes the education and becomes properly licensed.

In addition, we support much more public education about the need to use properly registered HICs. Again, we understand this is a resource issue, but despite the sting operations – which we support – and occasional press releases, most consumers do not place proper registration high enough on their issues to consider when engaging a contractor. Much higher on their list (issues which might never be overcome) are the price for what will be done, when the job can be done, and a feeling of comfort with whom they are dealing. Proper registration (or licensing) is either presumed or an after-thought for many consumers, if it is thought of at all.

As stated in the prior two paragraphs, the third issue with the current system is the raid of the funds HICs pay. The legislature needs to know that registered HICs are not getting what they pay for. This hurts both thousands of legitimate small businesses and all consumers.

3. A survey of how other states permit or license home improvement contractors:

We do not know if the agency is a member of the National Association of State Contractors Licensing Agencies (NASCLA), but we understand its website provides licensing information for all or most states. See, http://www.nascla.org/licensing_information. In addition, we participate in an extensive and robust network of contractors and association executives from across the nation, all under the umbrella of the National Association of Home Builders. If the agency wants to consider the programs in particular states, we would be happy to obtain the experience from the contractors' perspectives in those states and share it with you and your staff. It is our anecdotal understanding, however, that the level of

complaints from consumers about contractors is no better or worse in states with full blown licensing and testing versus those states with little regulation of contractors.

4. Recommendations, if any, for improvement of the current system of registration of home improvement contractors in this state:

We believe our comments under question 2 above answers this question. Greater enforcement, a willingness to put repeat offenders out of this business, and greater consumer education about the importance of using properly registered contractors will be better for both contractors and consumers. The legislature also needs to stop raiding the fees HICs pay so the agency has the resources for greater enforcement and consumer education.

Additionally, the agency's booklet, which is written for contractors, is a good tool for contractors. We would also suggest a few additions, such as referencing appropriate performance guidelines mentioned above. However, there is no assurance that every registered contractor reads the booklet and we wish all would do so. Also, the same booklet, but shortened and written for the consumer audience, would also be beneficial. With proper funding, the consumer version could be printed and distributed by contractors directly to their customers and through consumer outlets such as big box stores, lumber yards and building supply stores. Stopping the general treasury's raid on HIC funds should provide sufficient resources for this purpose. Pdf versions could be easily emailed to any consumer who calls or otherwise contacts the agency.

Thank you again for the opportunity to comment on this important issue. Again, we offer to meet with you and your staff to go over any of the comments we have provided and to discuss how better regulation of our industry and better protection of consumers can be accomplished.

Attachment

Home Builders & Remodelers Association of Connecticut, Inc.

Please Oppose Licensing Home Improvement Contractors: The Wrong Solution to a Multi-Layered Problem

Licensing the huge home improvement contractor (HIC) industry would be unworkable and not solve the issues consumers have with HIC projects.

- **Background:**
 - Most contractors are reputable and try to do good quality work for their customers.
 - There are ample voluntary opportunities to attend seminars, conferences and trade shows to learn and improve one's skills, and obtain certifications to set yourself apart from the competition.
 - The number of complaints about HICs at the DCP is large compared to other businesses, but the percentage of complaints relative to the huge scope of the home improvement industry (>35,000 HICs; >250,000 projects/yr) is very small (< 1%).
- **No amount of licensing and testing can solve the vast majority of complaints against contractors, which are based on workmanship issues, and communication issues** (i.e., the contractor and consumer had different expectations about the job; not starting or finishing a job as scheduled). In addition, fraud (e.g., running away with a deposit, leaving a job after getting partial or full payment) cannot be solved by any level of licensing.
- The proponents' cited building code violations and lack of young people entering the business as reasons to adopt licensing. These arguments suggest we need tighter building code enforcement and greater resources spent on construction workforce development in our technical and other schools. We'd support these efforts.
- The proponents want a license to "assure the public of competency" and make comparisons to electricians, plumbers and HVAC licensed trades. But these trades undergo four-year apprenticeships, including thousands of hours of education plus on-the-job training to obtain their licenses. Thus, a 6, 12 or even 20 hour HIC training curriculum would provide the public a very low level of – and, worse, a false – assurance of competency.
- The proponents also argue that the fear of losing a license, versus losing a registration, because of the extra expense and time to obtain a license, will work on contractors such that a licensed HIC will not risk doing a bad job. But, losing the ability to legally perform as a HIC, i.e., losing an HIC license or HIC registration, effectively puts you out of business. The extra cost and time to go to some classes and take a test pales in comparison to the risk of being put out of business by the state.
- Licensing and testing contractors will legitimize the marginal contractor (i.e., the poor workman who can score 70% to pass a test), while imposing more regulatory burdens and costs on reputable contractors. Home improvement projects often require many different construction skills and many HICs do it all – so how many different licenses would be required by some firms? And, HICs already pay into the HIC guaranty fund, so how much more would a cash bond cost, and why? And, are such bonds available at a reasonable cost?
- Reducing competition in an industry, as called for by some contractors, is not a legitimate use of a licensing program. And, all licensing programs create barriers to entry to a business.
- Licensing HICs could produce a huge fiscal note adversely impacting DCP's budget.

Alternatives to Licensing We Recommend (see reverse):

"Building Connecticut's Economy, Communities and Better Lives with Advocacy and Knowledge that Solves our Member's Problems."

Alternatives to HIC Licensing:

- **Stronger enforcement and education of consumers about the current HIC registration act will help to solve complaint problems in this industry. The legislature should specifically authorize DCP to educate consumers about the requirements of the HIC registration law and raise the amount of funds diverted to the agency's enforcement fund for this purpose. Education is the first line of defense for effective enforcement.**
- **Repeal the raid of the HIC guaranty fund, which all contractors pay into, by the general treasury that deprives DCP of the enforcement & education resources it needs.**
- **Raise the \$15,000 cap on a consumer's use of the guaranty fund to provide more protection to consumers who cannot satisfy a larger judgment against a contractor.**
- **Authorize an industry specific complaint form and new related database in order to better define consumer issues with our industry. Once better data is collected, only then can we develop better solutions.**
- **Provide statutory recognition of nationally-accepted, industry voluntary designations that signify certain remodelers have attained higher experience and education levels to help consumers choose the very best. Do the same for Connecticut based designations developed by the CT Institute of Professional Builders and Remodelers, Inc. (a 501(c)(3) subsidiary wholly owned by the HBRA of Connecticut).**
- **Address building code enforcement issues raised by the proponents of licensing. Building officials should be inspecting home construction at certain phases of construction in all cases where a permit is required. If they are not, no amount of contractor licensing will correct code violations.**
- **Address issues related to workforce development by reinvesting in our technical schools and community colleges to create construction curriculum. The HBRA of CT did just that through a \$300,000 US Labor Dept. grant under which we created a construction curriculum at Quinebaug Community College. Unfortunately, the college deleted the program in 2012.**